

HIGHLANDS REGIONAL



MASTER PLAN
2008

Highlands Development Credit Bank

Board Meeting December 10, 2010

*(Revised 12-13-2010 as a result of 12-10-2010
Board Meeting)*



Status of HDC Allocations

- ❑ 29 HDC Allocation applications received by the Highlands Council; 1 application is for a property located in a Planning Area community that has not yet conformed and is therefore ineligible for consideration at this time.
- ❑ Of the 28 applications for property in the Preservation Area, HDCs have been allocated by the Council to 18 properties.
- ❑ Of the remaining 10 properties, 5 did not have any remaining development potential for which HDCs could be allocated and 5 have pending allocation applications.
- ❑ A total of 503 HDCs have been allocated by the Highlands Council with a total value of \$8,048,000 based upon the \$16,000 initial HDC price. The total acreage receiving an HDC allocation to date is 684.63 acres. The average price per acre is \$11,755.

Status of HDC Hardship Consideration

<u>Type</u>	<u>Number of Properties</u>	<u>Number of HDCs</u>	<u>Number of Acres</u>	<u>HDC Value</u>
HDC Allocations (qualified as hardship under Round 1)	5	107.75	220.89	\$1,724,000
HDC Allocations (qualify for hardship consideration under Round 2)	4	53.25	82.37	\$852,000
Remaining HDC Allocations (to date)	9	342	381.37	\$5,472,000
Totals	18	503	684.63	\$8,048,000

Status of HDC Hardship Consideration

- ❑ To qualify for hardship consideration, a property owner must demonstrate that either:
 - ❖ (1) the owner is experiencing an extenuating financial circumstance and that the owner's equity in the property to which HDCs will be allocated is substantial in relation to the owner's net worth, or
 - ❖ (2) the property would have qualified for Exemption #3 under the Highlands Act, but for not securing a needed State land use or water permit where an application for that permit was pending before the Department of Environmental Protection as of March 29, 2004.
- ❑ 20 applicants have sought hardship consideration. 5 applicants qualified for hardship consideration under Round 1. Under Round 2, an additional 4 applicants have qualified for hardship consideration for today's meeting. Of the 11 remaining applications, 6 properties did not qualify for an allocation while the other five applicants did not qualify on the basis that they failed to satisfy the Highlands Council's hardship criteria.
- ❑ Under the **HDC Bank's Initial Purchase Program**, the Bank has closed on two transactions to date, acquiring 87 HDCs and preserving 109 acres. A third transaction remains pending.

Highlands TDR Program

Steps to HDC Bank Purchase – Second Round

1. Visit the HDC Estimator Tool (residential property only)

2. Submit HDC Allocation Application, including copy of deed and documentation of hardship. For 2nd Round hardship consideration there was a October 7, 2010 deadline.

3. Highlands Council will determine HDC allocation and whether property owner satisfies hardship criteria.

4. HDC Allocation Letter states the number of HDCs the property receives and whether the property owner qualified for hardship consideration; where no allocation awarded, letter will explain why. HDC Allocation Letter valid for 3 years.

5. Property owner may seek Reconsideration where owner believes more HDCs should have been awarded; reconsideration of factual issues only, e.g. steep slopes, zoning, etc.

6. Assuming HDC allocation is final, property owner may choose to do nothing further.

7. Property owner may also choose to begin HDC Certificate process; if so, submit HDC Certificate Application to HDC Bank along with copy of HDC Allocation Determination Letter. For 2nd Round hardship consideration there was a November 4, 2010 deadline.

8. Bank will first process hardship applications and rank them according to HDC Bank's established priorities. Other HDC Certificate applications will then be processed.

9. For priority applications, Bank staff will present prioritization list to Bank Board of Directors for review and approval at HDC Bank's December 10, 2010 meeting.

10. Letters of offers to purchase HDCs will then be issued. Owners receiving letters will have a certain period in which to accept offers.

11. If offer accepted, property owner will be required to submit draft deed of easement, title and court search, affidavit of title, and letter or subordination agreement from mortgage holder, if applicable.

12. HDC Bank will work with property owner to have deed of easement finalized and then recorded at appropriate county clerk's office. Bank staff will then issue HDC Certificate and work with property owner to close transaction.

4 Properties for Hardship Consideration - Second Round

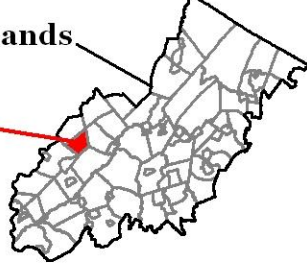
- A. Liberty Township, Block 21.01, Lot 20.01
- B. Jefferson Township, Block 209, Lots 9 & 10
- C. Oxford Township, Block 24, Lots 4 & 20
White Township, Block 16, Lot 45
- D. Mount Olive Township, Block 8301, Lot 13

Property A

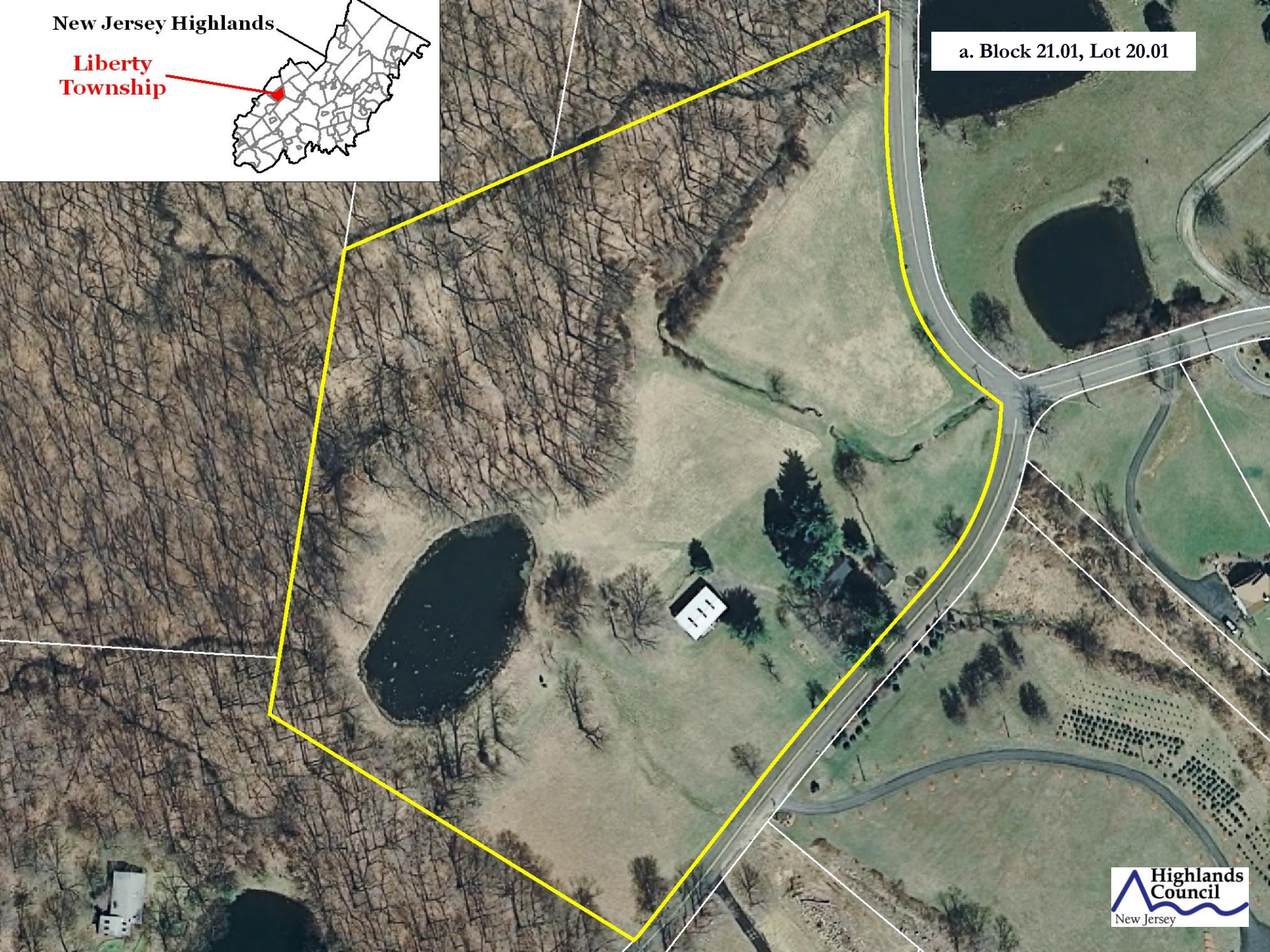
Liberty Township

New Jersey Highlands

**Liberty
Township**

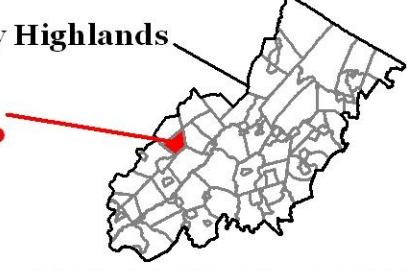


a. Block 21.01, Lot 20.01

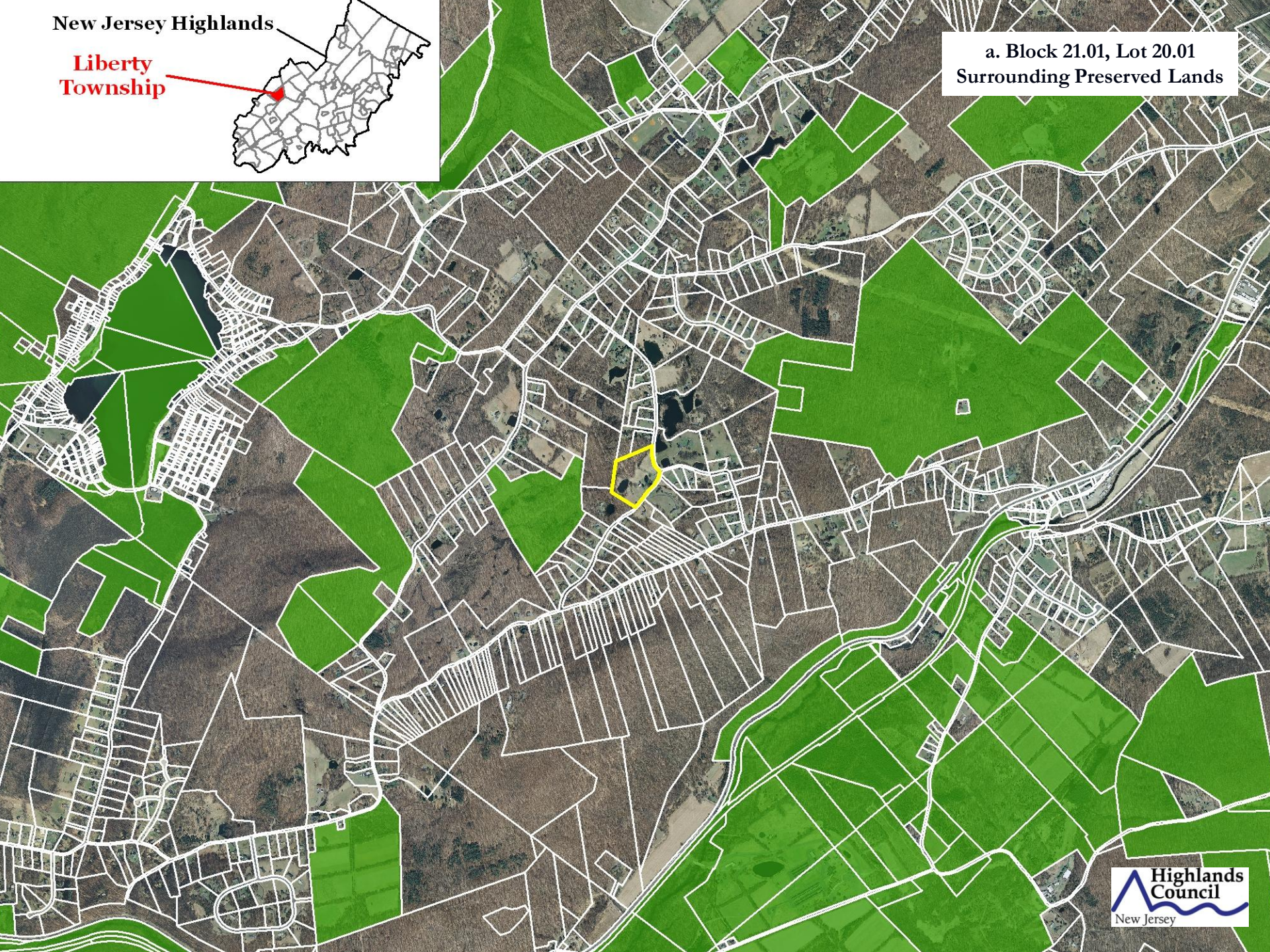


New Jersey Highlands

**Liberty
Township**

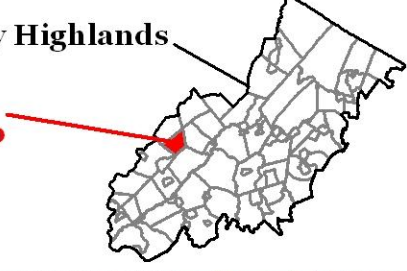


a. Block 21.01, Lot 20.01
Surrounding Preserved Lands

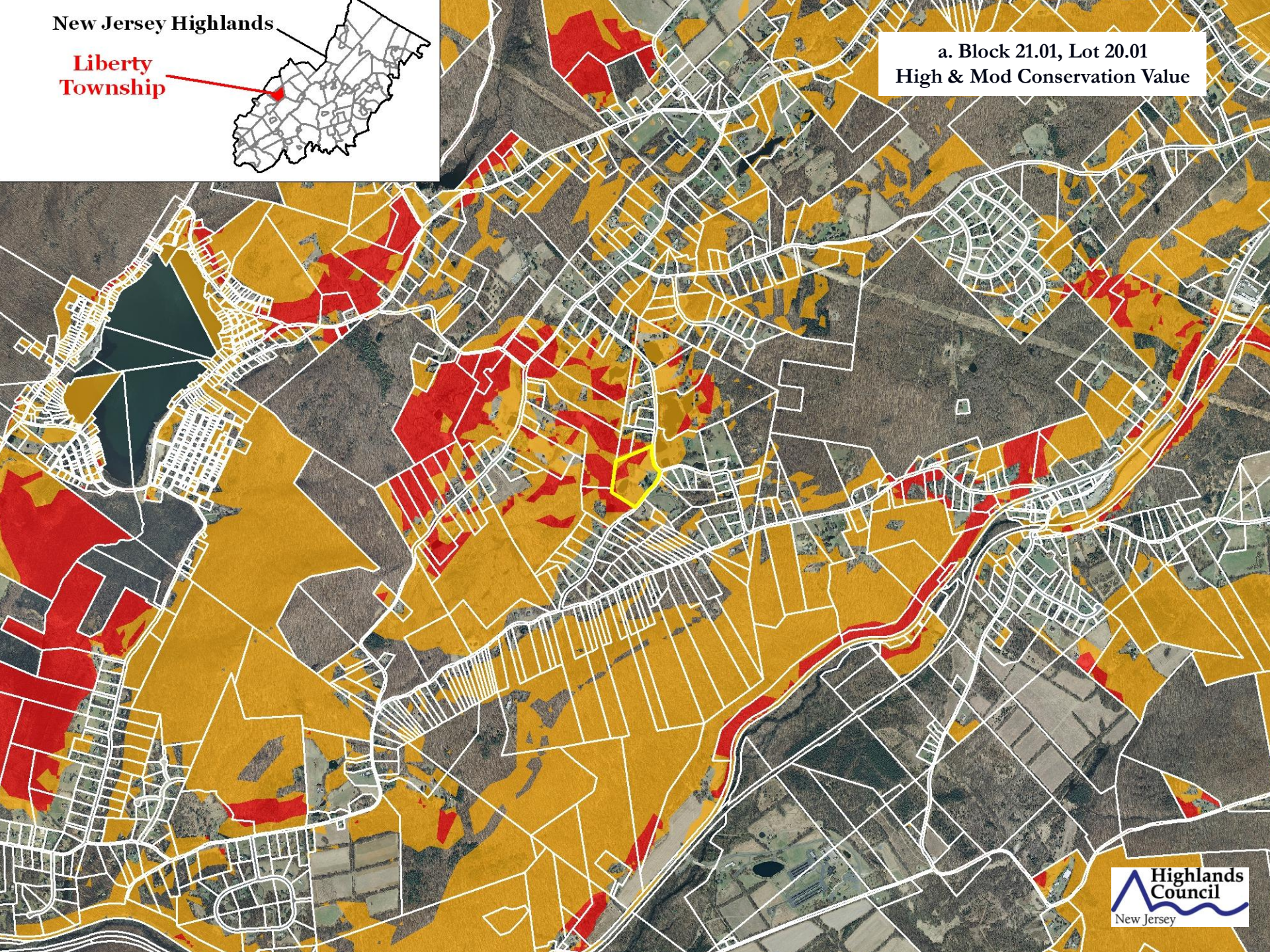


New Jersey Highlands

Liberty
Township



a. Block 21.01, Lot 20.01
High & Mod Conservation Value

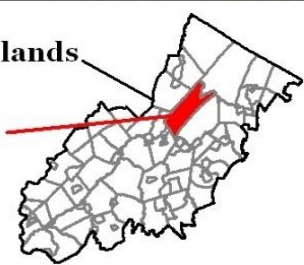


Property B

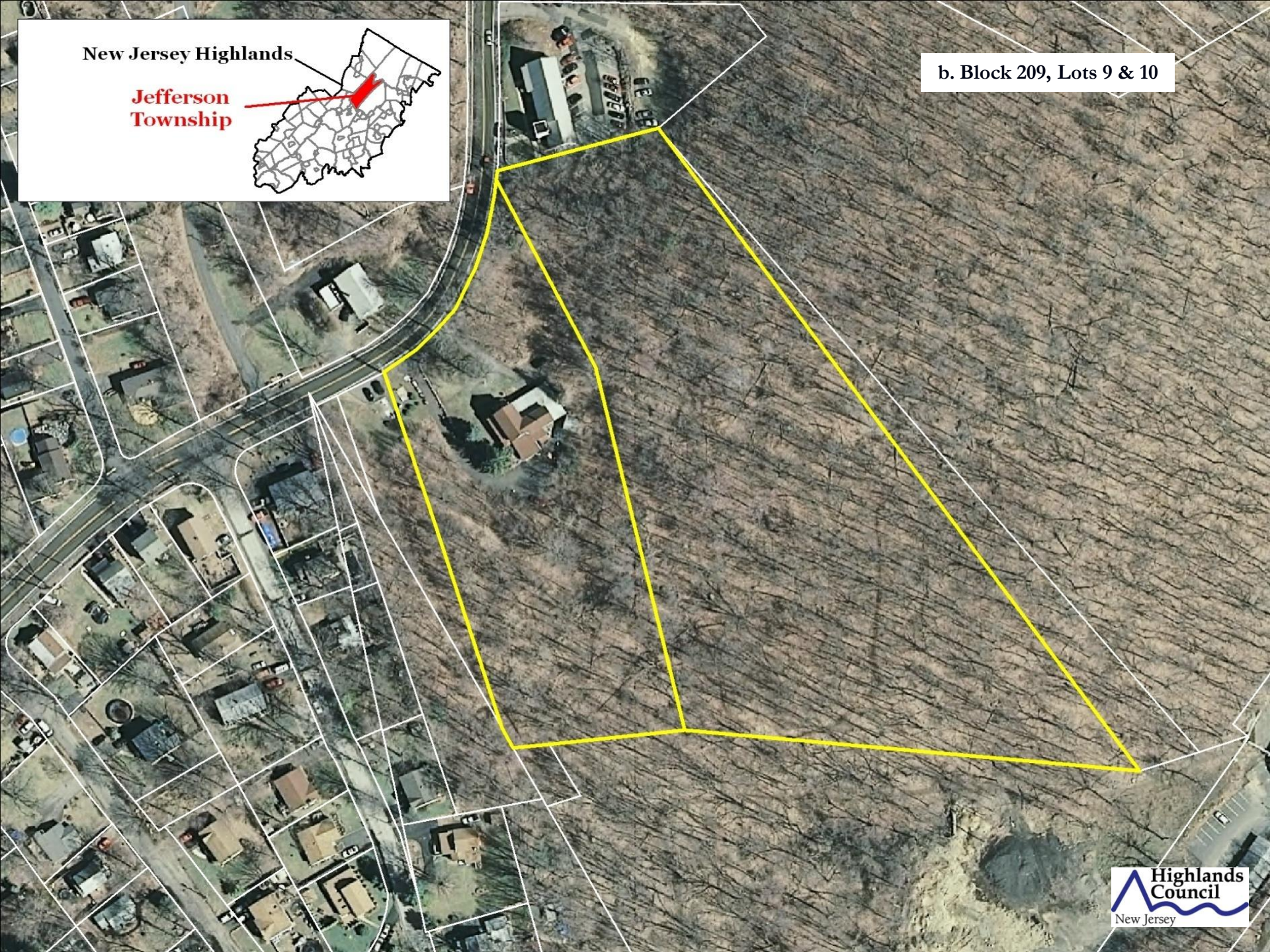
Jefferson Township

New Jersey Highlands

Jefferson
Township

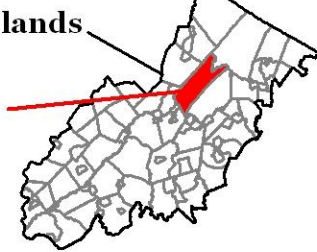


b. Block 209, Lots 9 & 10

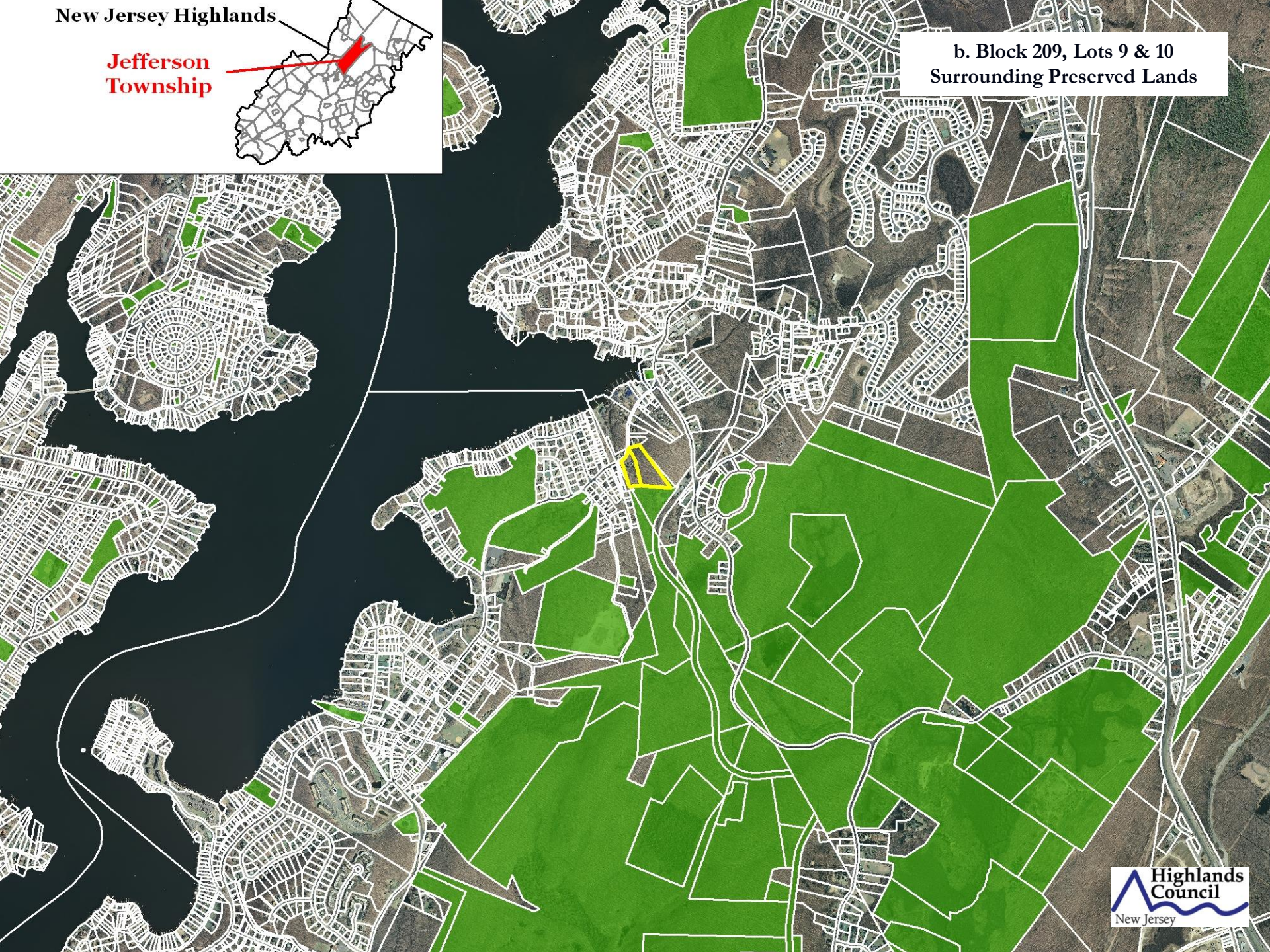


New Jersey Highlands

Jefferson
Township



b. Block 209, Lots 9 & 10
Surrounding Preserved Lands

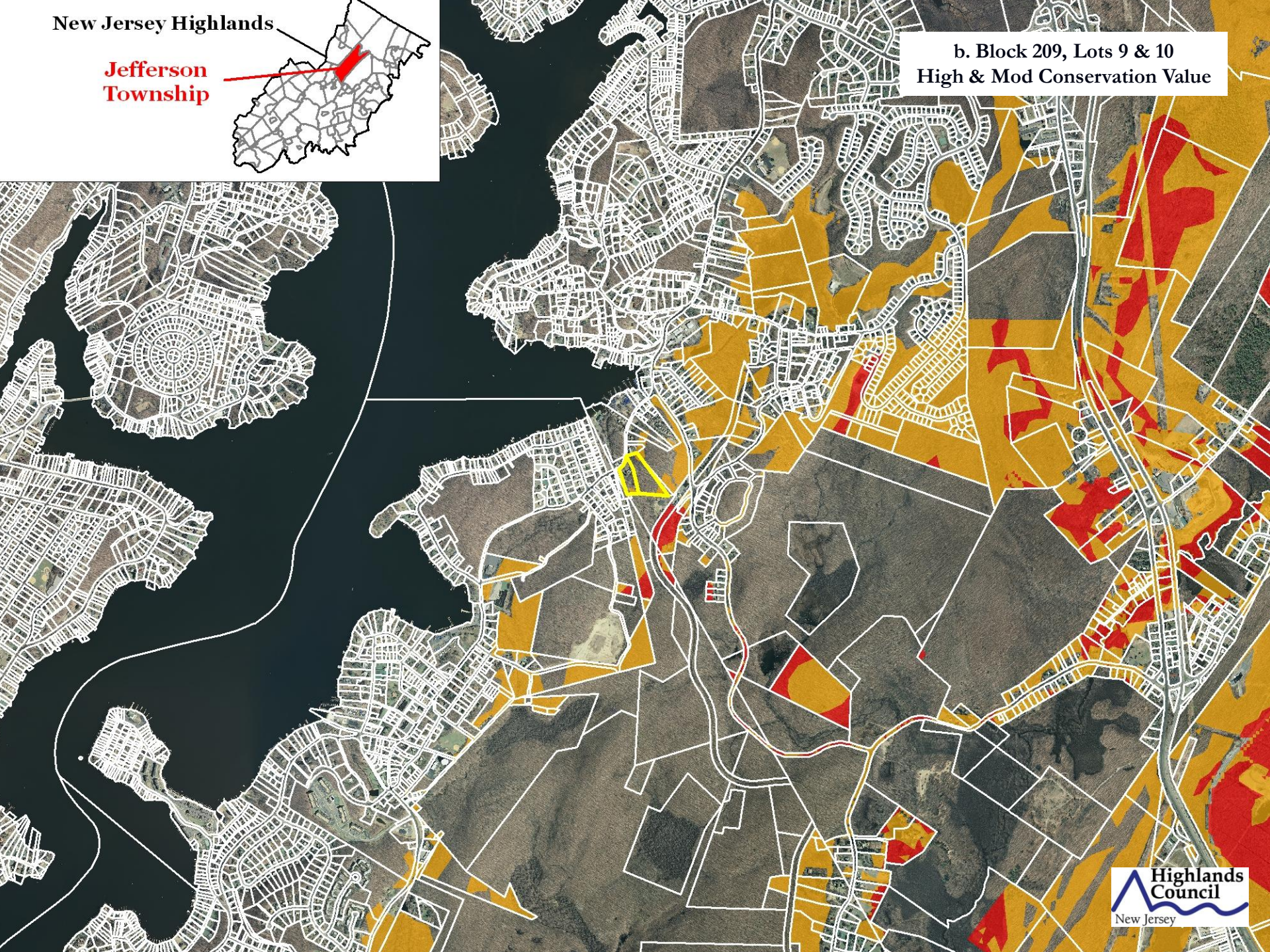


New Jersey Highlands

Jefferson
Township



b. Block 209, Lots 9 & 10
High & Mod Conservation Value



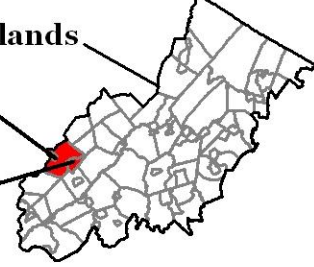
Property C

Oxford and White Townships

New Jersey Highlands

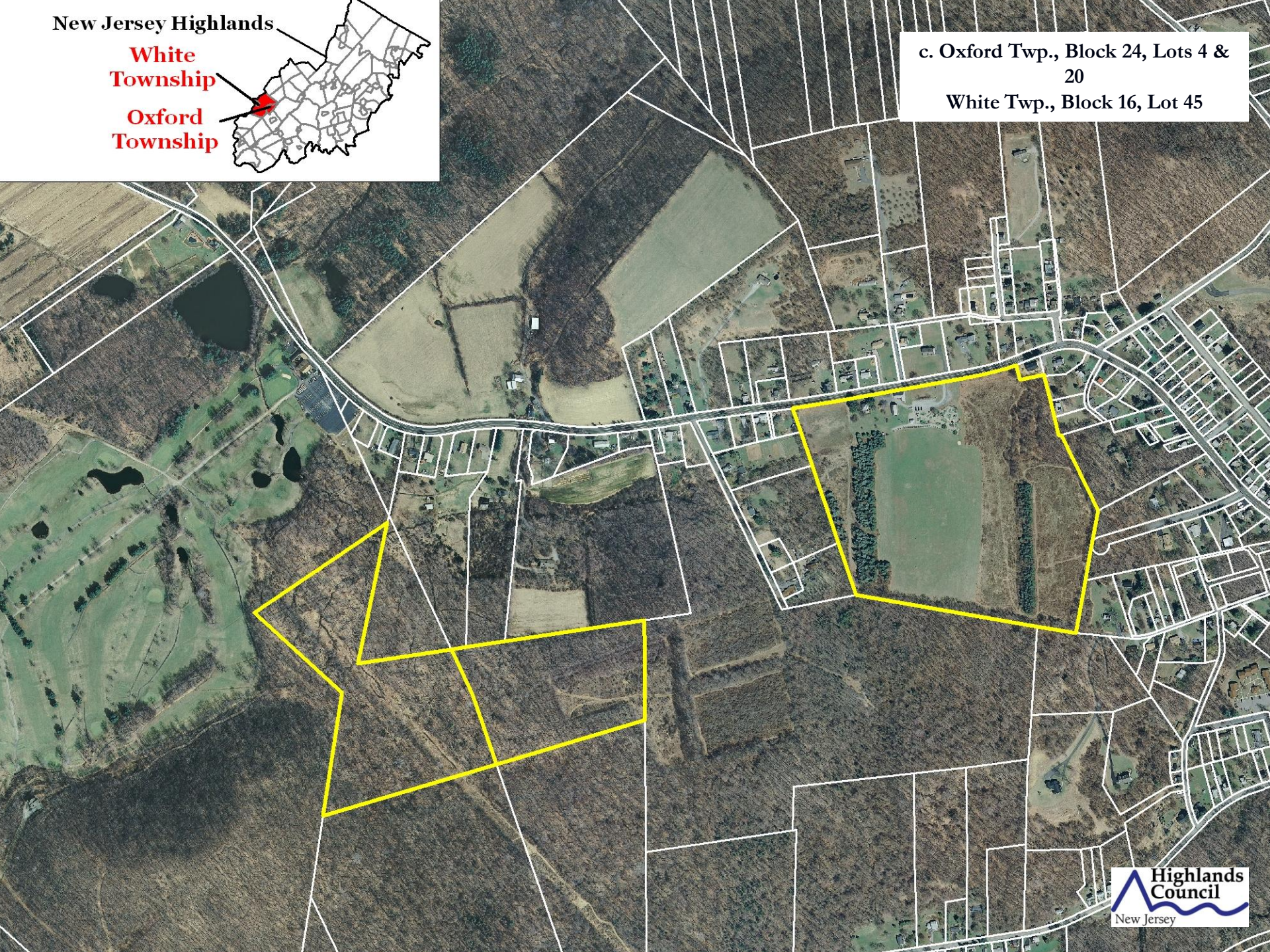
White
Township

Oxford
Township



c. Oxford Twp., Block 24, Lots 4 &
20

White Twp., Block 16, Lot 45

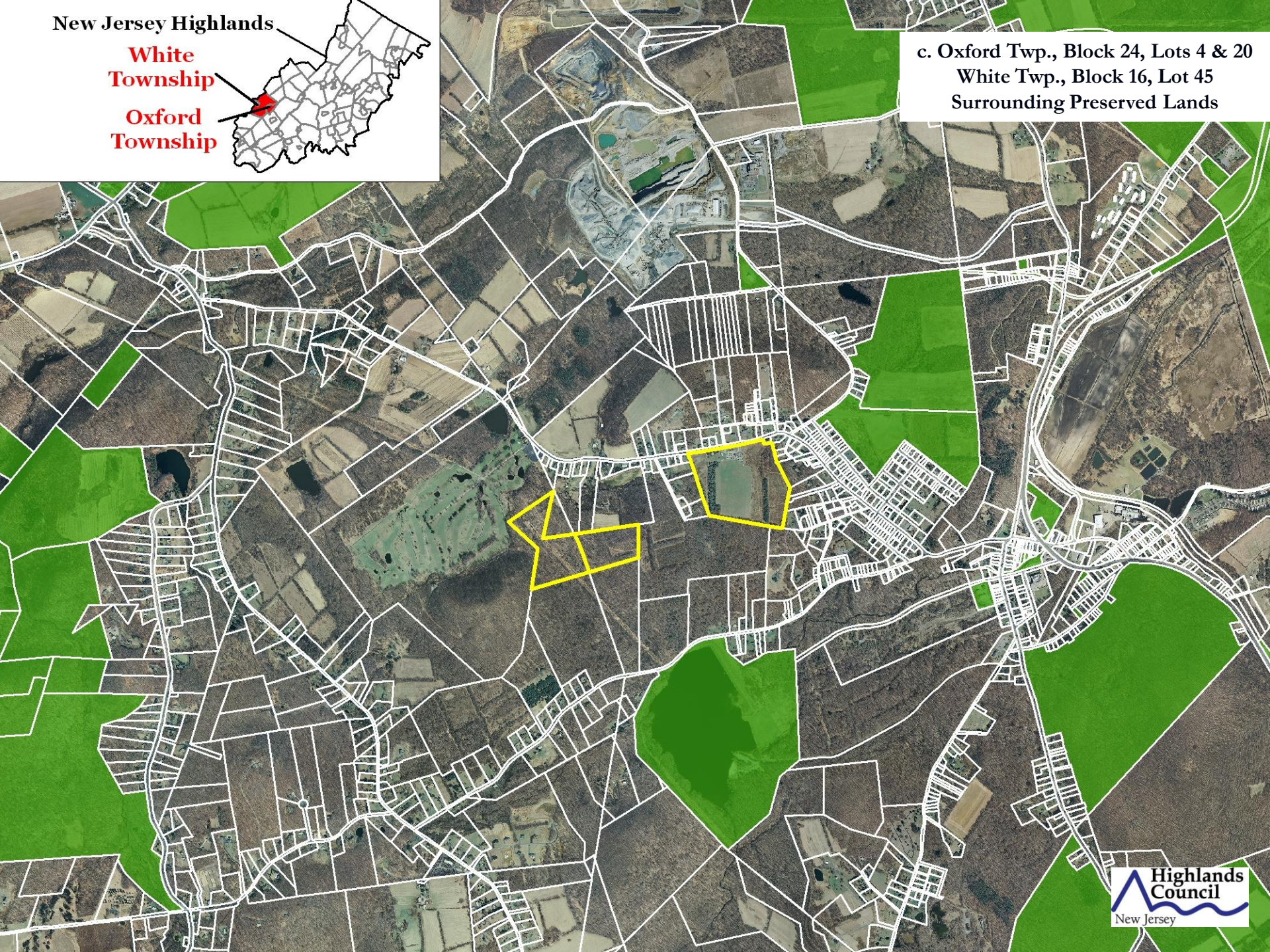


New Jersey Highlands

White
Township

Oxford
Township

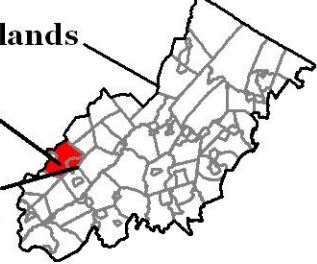
c. Oxford Twp., Block 24, Lots 4 & 20
White Twp., Block 16, Lot 45
Surrounding Preserved Lands



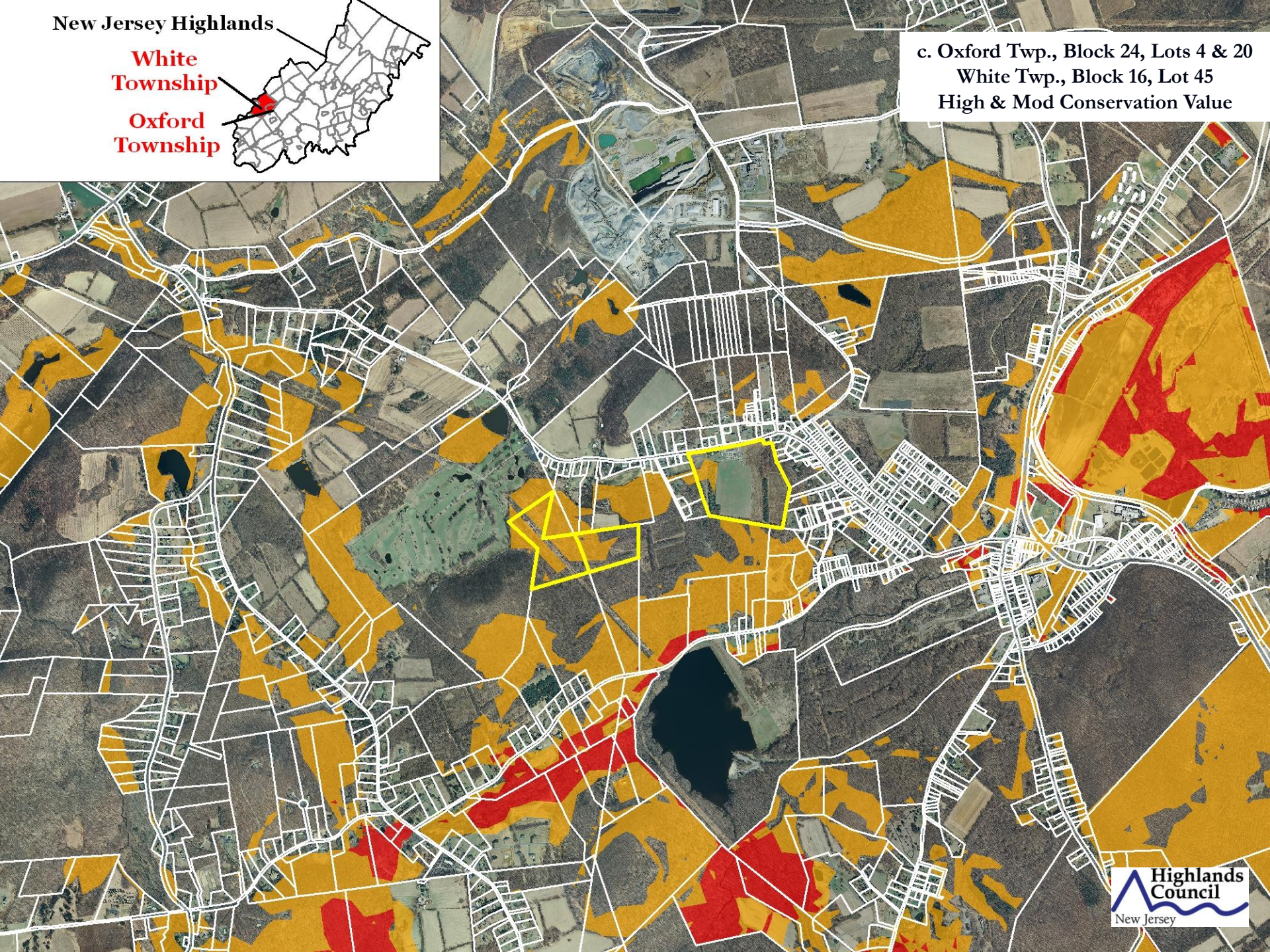
New Jersey Highlands

White
Township

Oxford
Township



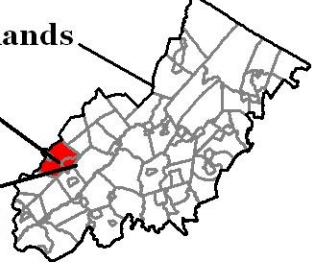
c. Oxford Twp., Block 24, Lots 4 & 20
White Twp., Block 16, Lot 45
High & Mod Conservation Value



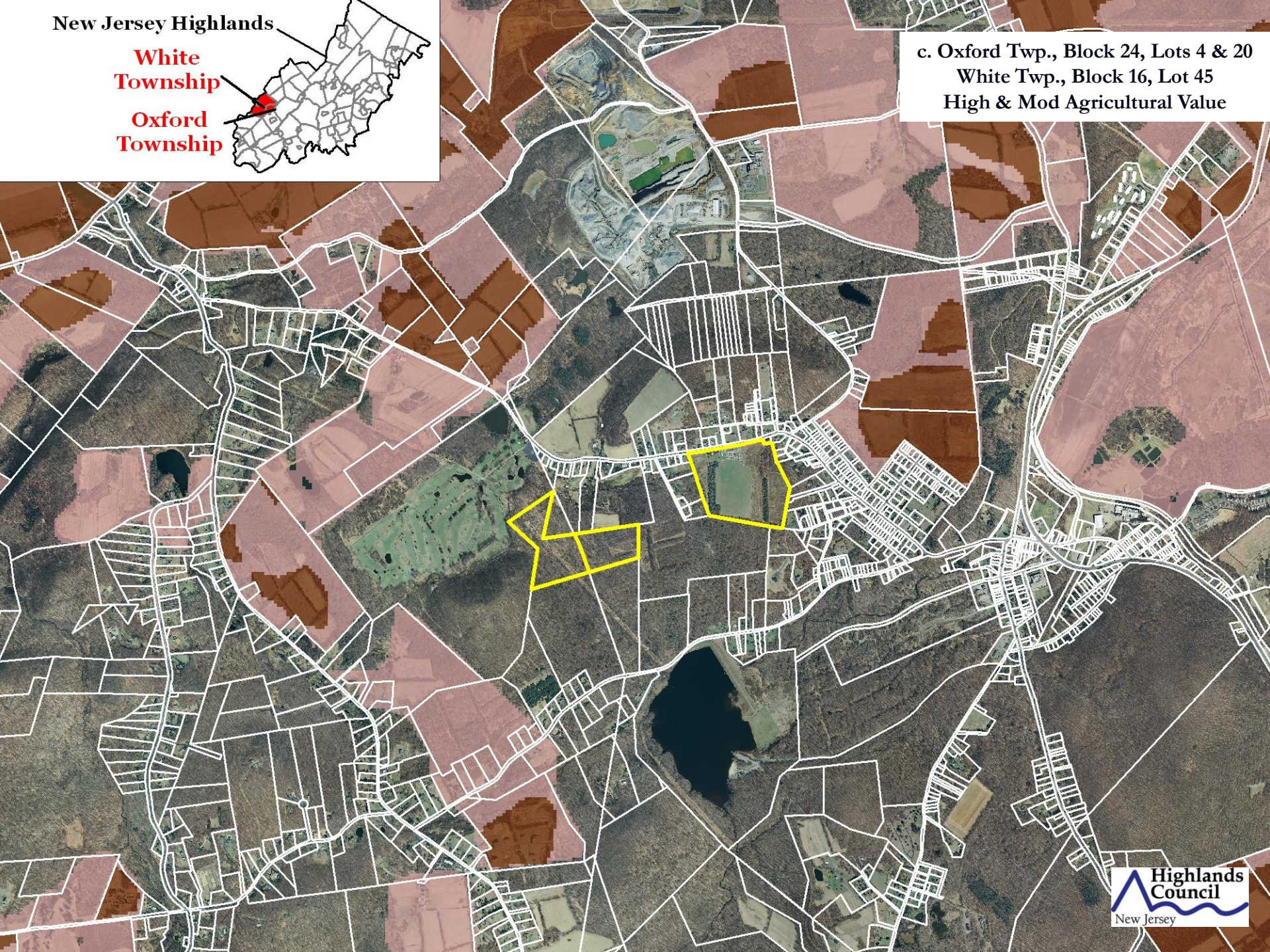
New Jersey Highlands

White
Township

Oxford
Township



c. Oxford Twp., Block 24, Lots 4 & 20
White Twp., Block 16, Lot 45
High & Mod Agricultural Value

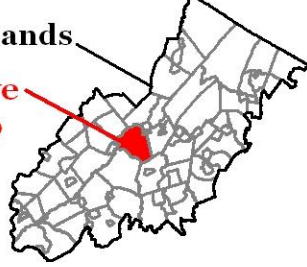


Property D

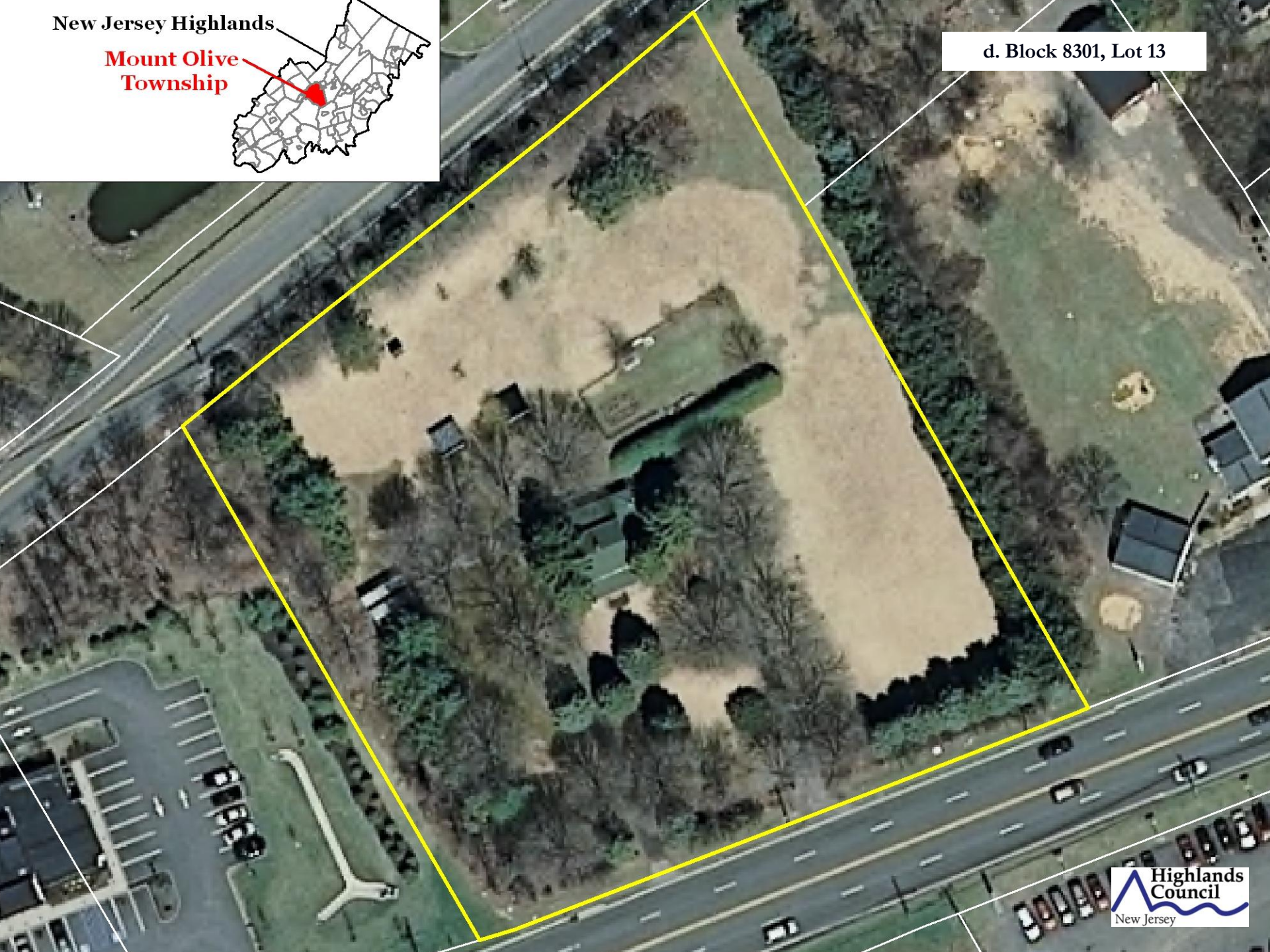
Mount Olive Township

New Jersey Highlands

Mount Olive
Township

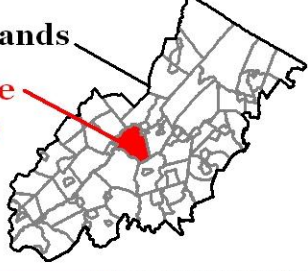


d. Block 8301, Lot 13

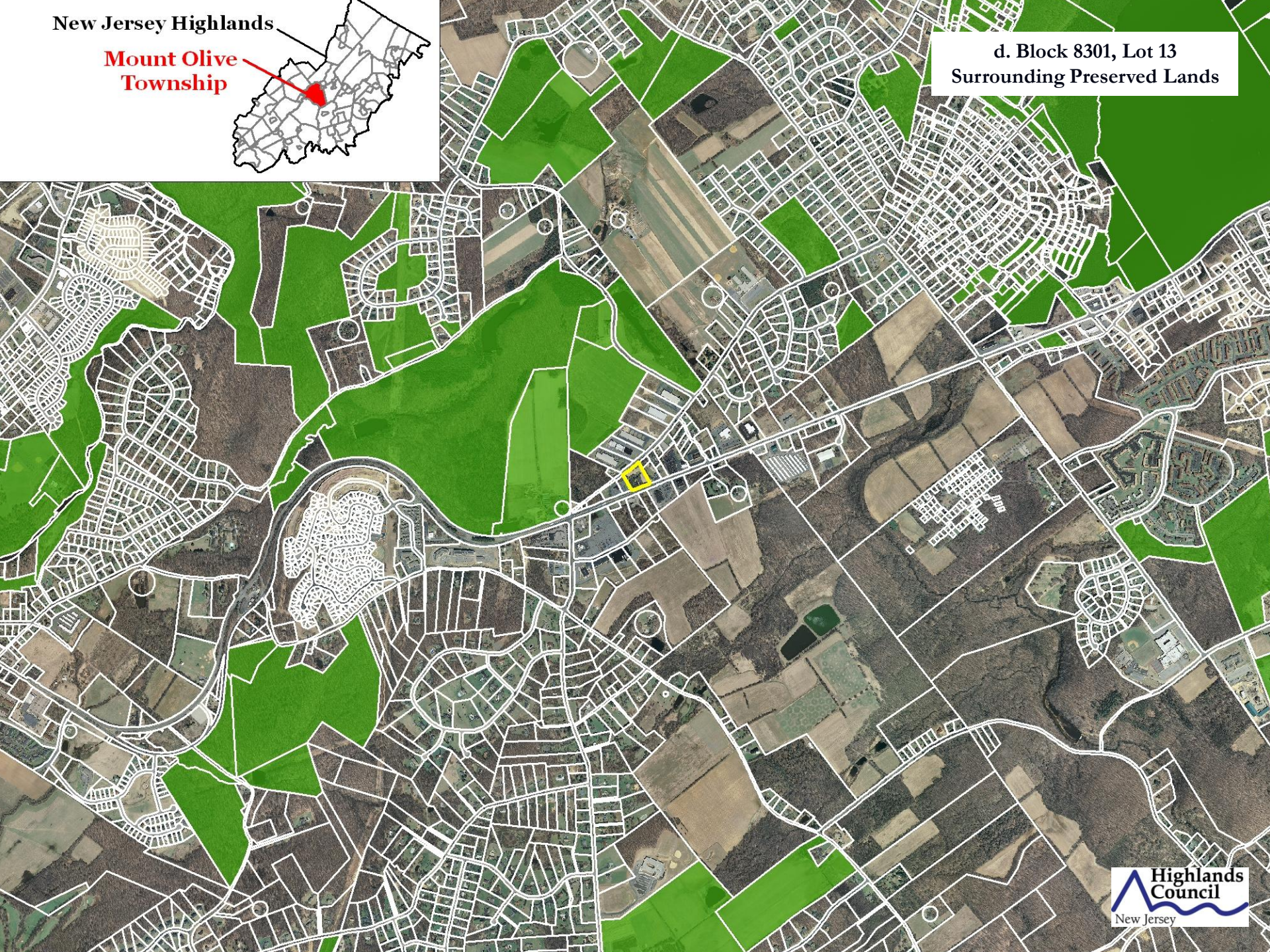


New Jersey Highlands

Mount Olive
Township



d. Block 8301, Lot 13
Surrounding Preserved Lands



Offer Letter Contents

- ❑ Offer letter will include the following information:
 - ❖ A listing of the municipality and block and lot of the parcel(s);
 - ❖ The number of HDCs to be purchased;
 - ❖ The price per HDC to be acquired by the HDC Bank;
 - ❖ A statement that the offer must be accepted and acknowledged within thirty (30) days of the date of the offer letter; letter will have to be signed and returned to the HDC Bank within the time period established; and
 - ❖ Offer to pay closing costs associated with HDC transaction, up to a maximum of \$2,500. All costs would be paid on a reimbursement basis upon presentation of invoices indicating the closing costs incurred.
 - ❖ An explanation of the documentation necessary to complete the transaction, including a deed of easement.

HDC Process - Next Steps

- ❑ Executive Director to issue Offer Letters to purchase HDCs; offers must be accepted within 30 days of date of offer letter;
- ❑ HDC Bank staff and property owner work to complete necessary documentation to effectuate transaction, including recording of appropriate deed of easement and issuance of HDC Certificate;
- ❑ Closing of HDC purchase to occur at Highlands Council office in Chester with transfer of HDC Certificate and issuance of check.

Consideration of Resolution

Resolution – Meeting Dates for 2011

The proposed HDC Bank meeting schedule is:

- ❖ April 7, 2011, 1 pm;
- ❖ August 4, 2011, 1 pm;
- ❖ December 1, 2011, 1 pm.

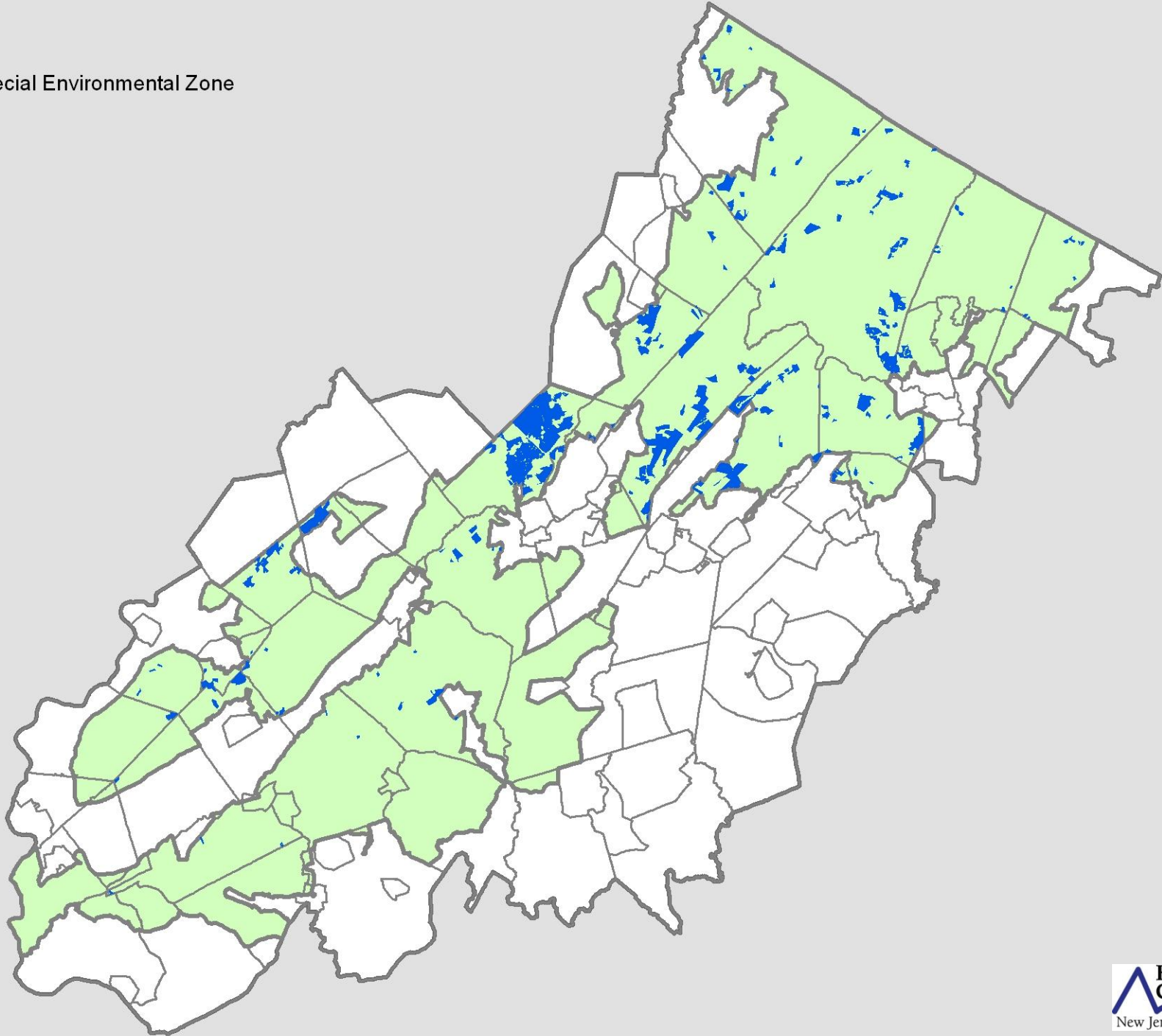
Consideration of Resolution

Resolution – Expansion of HDC Purchase Program

- ❑ The proposed expansion is designed to serve as a safety net for properties that should be preserved but may not have met the eligibility criteria or funding availability from the open space and farmlands preservation programs.
- ❑ **Special Environmental Zone** is that area identified by the Highlands Council in the Regional Master Plan where no development should occur. The Special Environmental Zone is comprised of **nearly 19,000 acres** throughout the Highlands Preservation Area.
- ❑ **High Value Agricultural Priority Area** is an area identified by the Highlands Council in the Regional Master Plan comprised of those farmland properties with the best agricultural soils and contiguity to existing preserved farms and other farmland. There are **26,870 acres** of High Value Agricultural Priority Area in the Preservation Area.

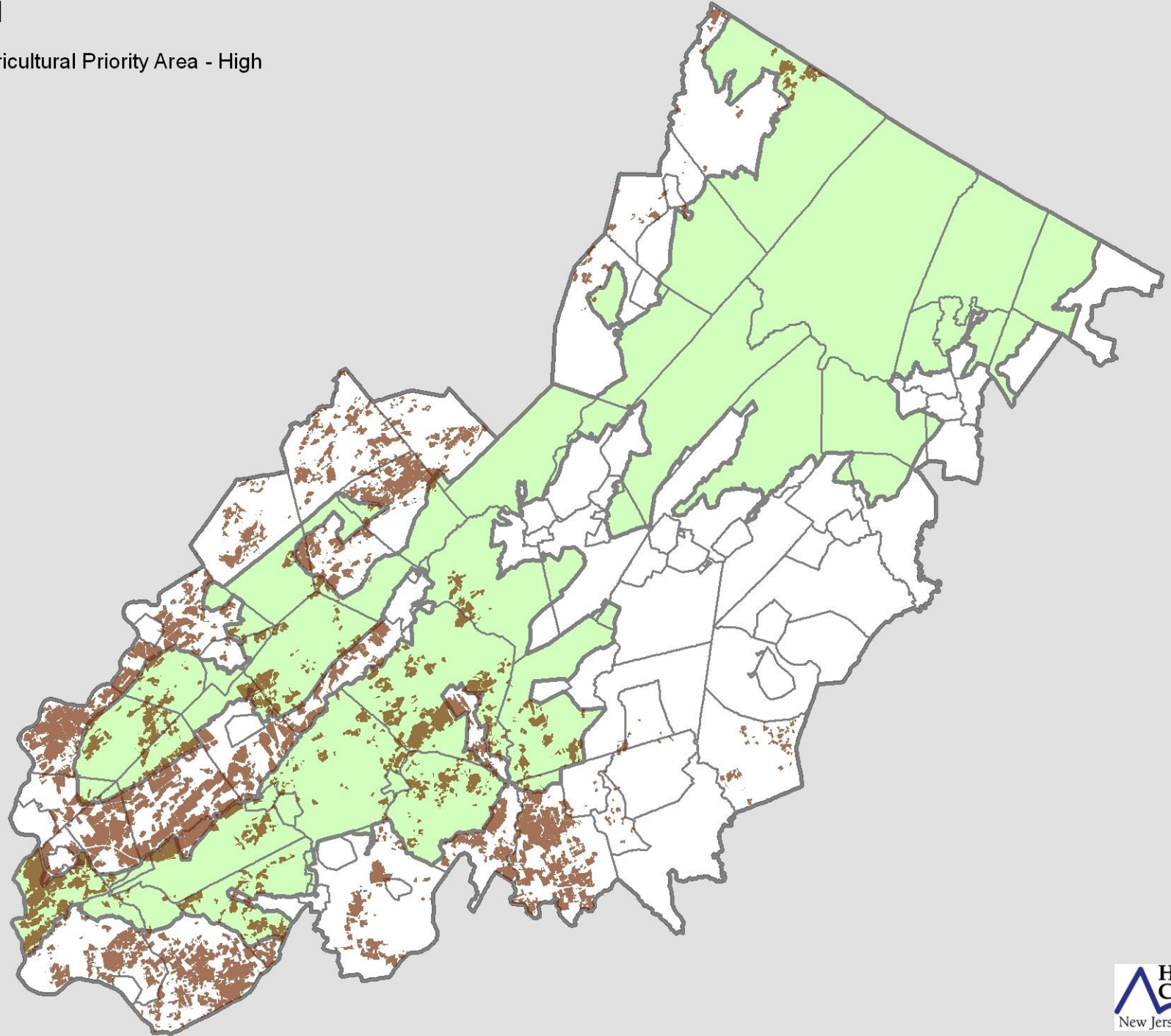
Legend

 Special Environmental Zone




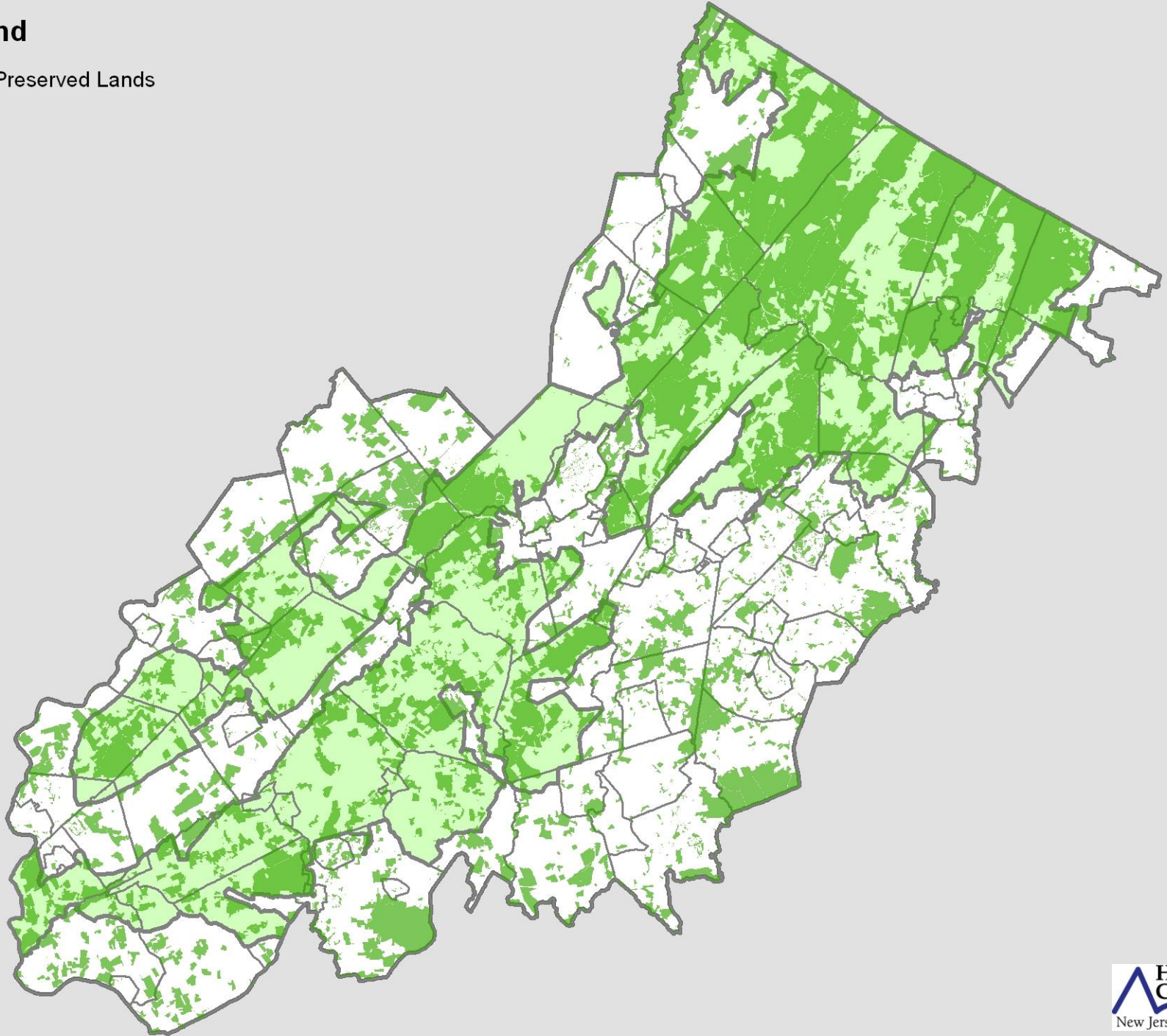
Legend

 Agricultural Priority Area - High



Legend

 Preserved Lands



Resolution – Expansion of HDC Purchase Program

- ❑ Proposal to expand the purchase program based upon need to address other important circumstances in addition to hardship.
- ❑ Two new categories proposed for third round consideration:
 - ❖ Parcel that received or should have qualified for Exemption #3, but which exemption expired.
 - ❖ Parcel located within either Special Environmental Zone or High Value Agricultural Priority Area, which owner of the parcel applied for participation in a preservation program administered by the State or a local government unit (together “Public Agency”) no earlier than August 10, 2004, and which application was rejected by the appropriate Public Agency or was deemed ineligible for participation based upon the requisite program’s eligibility criteria.
 - If parcel located in Special Environmental Zone, property owner must forgo any remaining development opportunities.
 - Where the parcel of land is located within the High Value Agricultural Priority Area, a majority of the parcel’s existing agricultural lands must have both high and moderate agricultural value.

Resolution – Expansion of HDC Purchase Program

HDC Bank to consider opening of third round of consideration:

- ❖ **HDC Allocation Applications** due to Highlands Council by **February 24, 2011**;
- ❖ **HDC Certificate Applications** due to HDC Bank by **March 24, 2011**;
- ❖ **HDC Bank** to consider third round applications at **April 7, 2011 meeting**.

Consideration of Resolution

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